

# **A QUALITATIVE EXAMINATION OF KNOWLEDGE STRATEGY, KNOWLEDGE CAPABILITY AND PERFORMANCE**

*R. Mitch Casselman, Peter J. Tobin College of Business, St. John's University, 8000 Utopia  
Parkway, Queen's, NY, 11473, 718-990-6314, casselmr@stjohns.edu*

## **ABSTRACT**

This research examines the impact of knowledge strategy and knowledge capability on different types of organizational performance with a particular focus on differentiating the two primary constructs. The paper provides a holistic examination of the knowledge-based view of the firm and the role of knowledge as a key driver of competitive advantage. This paper is part of a larger mixed methodology study of the subject. This aspect of the project focuses on gaining an improved understanding of the different dimensions of knowledge strategies including methods for their measurement. Qualitative case studies were conducted based on a unique selection methodology. The method used industry level statistics and patent data to select case study industries that were diametric opposites in terms of environmental munificence, dynamism and complexity. This was done to maximize analytic generalization of the qualitative phase of the research. The resulting case studies provided strong support for the development of a survey instrument for the quantitative portion of the research.

**Key Words:** Knowledge-based View, Capabilities, Performance, Knowledge Management; Qualitative Analysis; Case Study Methodology

Knowledge management, the knowledge-based theory of the firm, and strategic management provide different theoretical perspectives that can aid in the understanding of how firms use knowledge for competitive advantage. Knowledge management provides key insights into the fundamental aspects of knowledge and how it can best be manipulated within an organizational context (Chauvel & Despres, 2002; Despres & Chauvel, 1999, 2000; Liebowitz, 1999; Swan & Scarborough, 2001; Teece, 1998; Wiig, 2000). The knowledge-based theory of the firm provides insight into how knowledge works to create competitive advantage, how knowledge impacts the structure of the firm and helps define the existence and boundaries of the firm (Grant, 1996a, 1996b; Kogut & Zander, 1992, 1996; Nonaka, 1994; Spender, 1996; Zander & Kogut, 1995). Strategic management can provide insight into how firms can differentiate themselves from their competitors (Barney, 1991; Nelson, 1991; Teece, Pisano & Shuen, 1997; Winter, 1987).

The objective of this qualitative study was to help to differentiate between knowledge strategy and knowledge capability in order to further study the constructs using survey methodologies and subsequently understand their joint impact on performance based on a theoretical model developed by Casselman and Samson (2007). In this perspective, knowledge strategy is related to aspects of knowledge that link to seven key components relating to decisions surrounding economic theories of the firm: disaggregation, organizational structure, measurement and reward, knowledge advantages, boundaries of the firm, knowledge protection and investment intensity. On the other hand knowledge capability is seen as more direct processes and systems directly involved in knowledge management.

This paper presents the results from the seven case studies that were conducted. Cases were selected from polar opposite business environments to improve their ability to contribute to the theoretical understanding of the proposed constructs in the model. The focus of this paper is to provide an overview of the case studies highlighting the insights into knowledge strategy and knowledge capability and the ability to measure them in a survey instrument.

The analysis of the results provides substantial evidence that the initial objectives of the case study research were achieved. Each of the theoretical constructs was identified within one or more of the organizations studied and some understanding of how they may be manifested was obtained. This led to further insight into sub-constructs such as knowledge disaggregation and investment. While other potential constructs to be included in the model were identified, such as language, these were not widely seen across the case study organizations. The cases established that there was also some relationship between knowledge strategy, knowledge capability and firm performance. Finally, the understanding of the constructs in practice led to a number of changes in the questionnaire design. Overall, the case studies have improved the quality of the survey instruments as well as providing interesting examples and a depth of insight that goes beyond the sole use of quantitative methods.

## **REFERENCES**

Available by request.